

Proposal for Retirement Plan Legislation
(for the 2007 Legislative Session)

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http://www.leg.mt.gov/css/committees/interim/2005_2006/st_admin_vet_affairs/default.asp

PROPOSER'S NAME/TITLE: Teachers' Retirement System, David Senn, Executive Director

ORGANIZATION: TEACHERS' RETIREMENT SYSTEM

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1 What is the problem or issue?

Each Session the Teachers' Retirement Board finds it necessary to proposal general housekeeping revisions to address issues and/or correct problems that arose during the biennium. In addition, the IRS is in the process of issuing revised rules regarding section 415 of the Code which will require administrative and/or statutory changes. These changes will likely affect definitions, minimum benefit distributions, rollovers of after-tax employee contributions, and purchase of service credit.

2 What do you want the legislation to do?

General housekeeping proposal revising the provisions of the Teachers' Retirement Act regarding compliance with the Internal Revenue Code; family law orders; Designation of beneficiaries; return to work; requirements regarding elected county superintendents; insurance premium withholding availability and form. Clarify payment of benefits if no designated beneficiary on file; membership eligibility for Para-Professionals; date of termination for purpose of termination pay irrevocable election; options to change benefits upon death or divorce; eligibility of non-vested inactive member to purchase service; and calculation of annualized compensation.

3 If possible, please list the MCA (Montana Code Annotated) sections that would need to be amended.

19-20-101; 19-20-208;19-20-301;19-20-302;19-20-304; 19-20-409; 19-20-414;19-20-503;19-20-513;19-20-602;19-20-702; 19-20-716;19-20-717; 19-20-731; 19-20-805;19-20-1101

4 Which retirement plan or plans would be covered by the legislation? (If the proposal is

limited to certain plans, please indicate why.)
Teachers' Retirement System

- 5 If the proposed change requires additional funding, what funding sources do you propose (e.g., an increase in employer contributions, employee contributions, or both)?**
None required
- 6 Has similar legislation been requested in the past, been introduced in another state, or provided as a model act? If so, please provide a citation, reference, or point of contact.**
No
- 7 If you are a holdover senator or a legislative candidate running unopposed, do you want the Legislative Services Division staff to consider this a bill draft request?**